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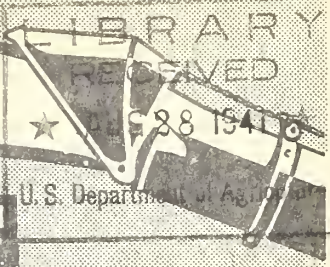
NEWSLETTER

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REGULATIONS DRAFTED FOR COTTON INSURANCE PROGRAM

CONSIDER RISKS IN WRITING 1942 CROP CONTRACTS

Leroy K. Smith, manager of the Federal Crop Insurance Corporation, urges all committeemen to weigh carefully all risks involved in writing 1942 wheat insurance applications.

"This is a question which every committeeman writing insurance should consider in every individual case," Smith says. "There are two types of risks --good and bad-- and only the committeemen and other farmers working on the program who are familiar with local conditions are fitted to make such determinations."

Such considerations are doubly important, not only for protection of the farmer himself so that he will not be over or under-insured, but also for protection of the Corporation so that it will not be burdened with a gamble not justified by premium rates and other conditions.

It is the committee's job to keep the cost of insurance in their county within the level of moder-

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ate premium rates. To do so the committee carefully examines the claims for loss before approving them; it requires insured growers to protect their crops from insects, etc. But protection against excessive loss is frequently most effective during the application writing period.

In this connection, the manager pointed out that while the premium rate for a farm reflects the long time average risk for the farm, it may not reflect the risk for the year of insurance. If the farm is insured every year, the rate will be adequate. If the farm is insured only in years when the risk is above average, the rate will not be adequate.

(See RISKS page 2)

Meeting Aug. 4 To Fix Policies, Plans For 1942

Work of perfecting procedure and regulations for application of the crop insurance program to the 1942 cotton crop following Congressional action in June is virtually complete.

Final approval is expected to be given them after the Aug. 4 conference in Washington of representatives of state AAA committees who will help decide several problems and policies in connection with the program.

According to the cotton amendment to the Federal Crop Insurance Act, the cotton program will be patterned after the wheat crop insurance plan. Insurance will be written on a 50 percent and 75 percent basis with yields and rates figured on a lint cotton basis.

Definite decision has not been made as to the base period. What minimum premiums will be charged also is under discussion as is the type of contract to be offered growers. These and other problems

(See COTTON page 6)

Newsletter is designed to inform field workers of the A. A. A. and F. C. I. C. of developments in the crop insurance program and is not for general distribution.

Timely Tips

Logan County, Ohio, did some unexpected business last year when it made crop insurance contracts available at its county fair booth display. Several farmers signed at that time and the county committee is going to do the same thing again this year.

A CONTEST IS A GREAT INCENTIVE FOR BETTER RESULTS. WASHINGTON COUNTY, KANS., PROVED THIS LAST YEAR WHEN THEY DIVIDED THEIR SIGN-UP FIELD WORKERS INTO TEAMS AND BROUGHT IN 3,265 APPLICATIONS.

Want to show farm program movies to school children? In Ohio, without advance information, the field worker showing the movie calls the superintendent of schools when he arrives in town and offers to show the picture. He rarely gets a turn-down and has averaged two or three such showings a day.

AFTER EACH DAY'S WORK DURING THE SIGN-UP IN PAWNEE COUNTY, KANS., LAST YEAR, THE AREA INSURED THAT DAY WAS COLORED WITH A RED PENCIL ON A MAP OF THE COUNTY. SUCH A MAP CAN BE USED VERY EFFECTIVELY BECAUSE WHEN FARMER BROWN COMES TO THE OFFICE AND LOOKS AT THE MAP, SEES HOW MANY OF HIS NEIGHBORS ARE INSURED, HE WILL LIKELY WANT PROTECTION TOO.

One way of being sure posters get put up is to mail printed cards to township chairmen who fill in blanks showing how many posters were distributed and where they were placed. Ohio is using this plan to good advantage.

WHEN A TENANT APPLIES FOR INSURANCE IT'S A GOOD IDEA, AT LEAST IT WAS IN PAWNEE COUNTY, KANS., LAST YEAR, TO DROP A CARD ON THE SAME DAY TO THE LANDLORD CALLING SPECIAL ATTENTION TO THE FACT AND ASKING HIM IF HE WANTS HIS SHARE OF THE CROP INSURED. IF THE LANDLORD APPLIES FIRST, SIMPLY REVERSE THE PROCEDURE.

Another film strip will be available for distribution as soon as processing is completed. Photo labs, like other business houses, are having their difficulties these days in getting deliveries through on time. National defense work is the reason. The title of the strip is "Defense Dollars."

The August 30 deadline should be brought to the attention of all growers by every available means. Upon completion of the current campaign, committees might find it worthwhile to study and appraise the results of the information work with the view of making necessary changes and improvements in their plans for '43.

RISKS

(Cont'd from page 1)

Thus, selection and representative cross-sections of all wheat farms in counties should be desirable in seeking insurance volume. While individuals working on the program should strive for as big a sign-up as possible, this should not be done at the expense of writing contracts on exceptional risks. Quality should not be sacrificed for quantity.

Committeemen also were urged to keep losses in line with the degree of risks to avoid increases in rates in future years.

The Corporation, too, is eager to extend coverage to those farmers who have remained in the program every year regardless of their particular hazards this coming year, but committeemen were asked to weigh carefully all elements in cases where the growers applying for insurance have been in and out of the program.

The 1942 procedure stipulates a grower must insure ALL his wheat interests in a county and that he must take the same coverage for all these farms. Thus, Smith said, it is important that the committeeman make sure that he doesn't write a 75-percent contract for holdings that warrant a risk of only 50-percent coverage.

All committeemen should also strive to obtain contracts representative of the county. In former years, in some counties, the number of high-risk farms far outnumbered the low-risk farms on the contract list. This year, efforts should be made to scatter the coverage so that low-risk farms will tend to balance the high-risk farms entered on the insured rolls.

BRANCH OFFICES, MANAGERS PICKED FOR COTTON PLAN

Two branch office sites have been selected for the cotton crop insurance program.

The offices will be located at Dallas, Tex., and at Birmingham, Ala., where Jesse H. Watson and James A. Beaty, respectively, will be branch office managers. Both offices probably will be open about Nov. 1.

Watson and Beaty both have been associated with the AAA farm program in their home states and in Washington. Both are farmers. Mr. Watson owns and operates a 600-acre farm near Newcastle, Tex., where he raises cotton, wheat, grain sorghums, and cattle.

Beaty has a 423-acre farm near Louisville, Ala., where he raises cotton, peanuts, and corn. Before being named branch office managers, Watson was a senior administrative officer for the Southern Division of the AAA and Beaty was a senior agricultural economist for the same Division.

Crop Insurance Blueprint

"Blueprint for Crop Insurance" is the title of a new handbook for committeemen. It outlines the principles of insurance, offers reasons and facts for insuring wheat crops, suggests plans for developing information programs, and lists ideas on how best to present insurance to farmers.

O'REILLY!



V. P. O'REILLY

Yas, sah, a Virginian is Mrs. O'Reilly's little boy (a big boy now, however), Vincent P. O'Reilly.And a widely traveled man he has become.....Now, he thought when he became eastern branch manager for the Federal Crop Insurance Corporation in November 1940, his traveling days were over. But he was wrong. About Sept. 1, of this year, Pat (that's his nickname, which, by popular usage, has become almost his given name) was informed he and his entire branch office staff would be moved to a new locationSpace shortage and defense needs were the reasons.

Lynchburg, Va., is his home....That's where he developed a wholesome liking for every kind of food.... Talk of diets irks him. There are times when he thinks it shouldn't, however, but he soon overcomes this momentary weakness... Went to St. Mary's College,

EASTERN BRANCH OFFICE WILL BE MOVED SEPT. FIRST

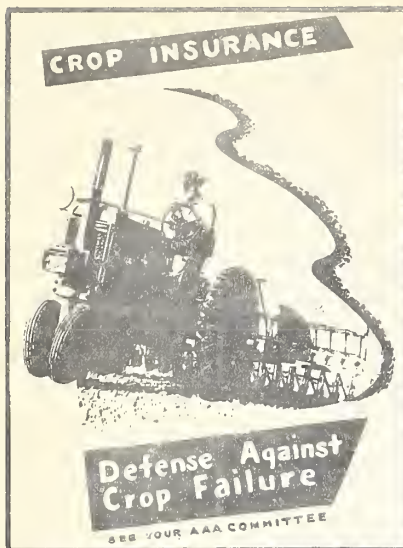
Transfer of the eastern branch office of the Corporation, now located in Washington, to a town to be selected, about Sept. 1, has been announced by officers of the Corporation.

Increasingly crowded conditions resulting from expansion of defense agencies coupled with a growing shortage of space necessitated the change. In addition, expansion of the crop insurance program to cotton applicable to the 1942 crop made employment of some additional persons necessary to carry out work on cotton and added to the space needs of the Corporation.

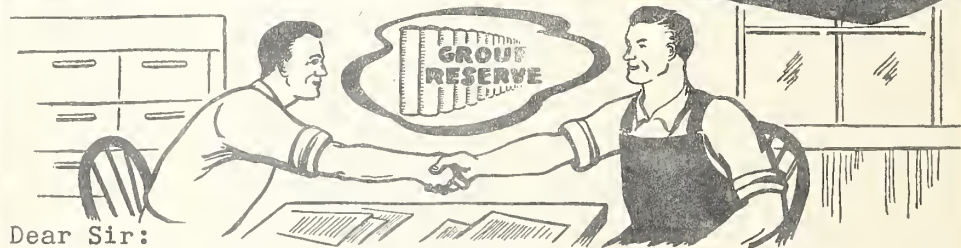
About 22 persons will be affected by the transfer of the office. V. P. O'Reilly is the branch office manager.

Consideration has been given to devoting the space formerly occupied by the eastern branch office to the new cotton unit.

Emmetsburg, Md., after spending his early years on the 600-acre farm in Farquier County, Va., where he was born....That's where he got his ambition to be a farmer...After college he found himself singing, "California Here I Come," so much he actually believed it himself and the next thing he knew Pat was dairy ranching in the Sandmore King Valley of the Golden West state..He once yearned to spend as much time as possible with
(See O'REILLY page 6)



Here are the new FCIC posters. At the left is the new wheat crop insurance poster. When completed, it will carry the legend, "Wheat Crop Insurance," at the top instead of merely, "Crop Insurance," as shown. It is in orange and black with a photograph. This placard is for use in the 1942 sign-up only in those states which already have used the poster, "Are You Prepared?" The center poster is in yellow, black, and red, and is designed for posting on insured wheat farms. The third is the cotton poster in green, black, and white.



Dear Sir:

We are glad to have had the opportunity of making crop insurance available to you. We hope—and you do too, we know—that you will get a good crop. But it does give us great satisfaction, as it must you, to know that if you don't raise a wheat crop you will still get a wheat income. Crop insurance guarantees you that. It is our desire to be of the greatest possible service to you in your farming operations. If we can be of any possible assistance, please don't hesitate to call on us. You have our best wishes for success in your wheat growing operations this year.

Very truly yours,

_____, Chairman,
AAA Committee.



Dear Sir:

We are confident that you, a good farmer who thinks things through, will want crop insurance on your next crop. It is YOUR DEFENSE against crop failure. It is YOUR guaranteed wheat income every year! Crop insurance protects you against ALL natural causes of loss. Not just one hazard, but ALL hazards! It doesn't cost much. And it doesn't take any immediate cash outlay. Why not see your community AAA committeeman now about crop insurance on YOUR crop?

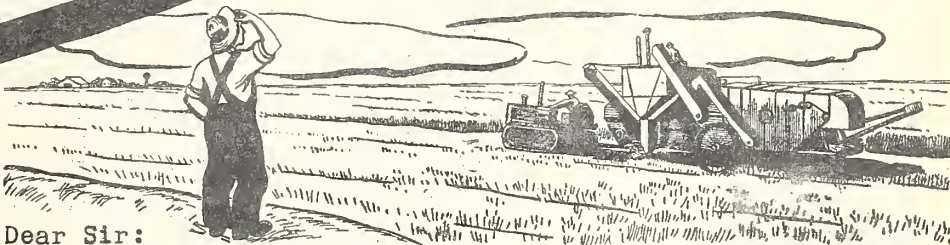
Very truly yours,

CL-2

GPO 16-21827

_____, Chairman,
AAA Com

These illustrated cards, in color, are being used by some states for direct mailing. No. 2, in blue, is sent a month or two before the deadline. No. 3, in salmon, is sent at about harvesttime, and No. 1, in green, is a goodwill card to be mailed the grower a couple of months after the sign-up. All are available in Washington upon order, allowing for time for printing.



Dear Sir:

Once more the harvest season is upon us. We hope your harvest is good. If, however, your crop was destroyed or seriously damaged, we trust you were fortunate enough to have had crop insurance protection. Because then you will have a wheat income even if your crop failed. Next year conditions may, or may not, be changed. None of us can say what next year will bring. We can guard against disaster, however, with crop insurance. And now is the time to think about it. Don't put it off. Do it now. Your local AAA committee will write your insurance contract. See them the next time you are in town.

Very truly yours,

CL-3

GPO 16-21829

_____, Chairman,
AAA Committee.

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FLOODS AND FLIES FOLLOW FREEZE TO DAMAGE NEBRASKA

Floods and flies have followed up the freeze of last November in heckling Nebraska wheat producers.

Hessian fly damage has been reported in southeast counties and damaging June floods struck the same area. The flood damage was limited so far as wheat is concerned, however, as the water covered lowlands largely devoted to corn.

County AAA committees estimated the indemnity payments covering 1941 wheat losses will be heavy.

Nebraska has 63,293 policies in effect covering an estimated 1,459,850 acres. The coverage represents 41 percent of the state's wheat allotment, and premium payments total 2,653,277 bushels.

Heaviest share of the indemnity payments will go to farmers in the south-central area hit hardest by the November freeze. Except for those fields in which spring grains were surface drilled and some wheat production is obvious, loss adjustment work is practically complete. However, measuring mixtures at harvesttime was a big job.

In marked contrast to this situation is that of western Nebraska. In this area snow protected seedlings from the worst effects of the November freeze and there had been ample spring rainfall.

Cotton Risk Job Calls Wright From Oklahoma

J. Carl Wright, state chairman of the Oklahoma State AAA Committee, has been named assistant to the manager of the Federal Crop Insurance Corporation. Wright will be located in Washington and will share with the manager the responsibility of administering the cotton program.

O'REILLY

(Cont'd from page 3)

horses in his eastern farming days, but out West he spent all his time with 60 cows and hogs... Had his troubles with hog cholera and black leg.

Called back to Virginia because of the illness and later death of his father, Pat ultimately found himself behind the business end of a machine gun during the World War... A member of the fighting 60th Rainbow Division he was... And wounded four times during the Argonne Forest push..... He won't confess that is when he learned to play poker, one of his favorite games... Golf is the other, but Pat won't talk when scores are mentioned.

Back once more in Virginia he sold real estate and insurance in the O'Reilly insurance agency and spent 15 years with a railroad traffic department..... He dotes on all kinds of reading, but is extremely partial to history and biography.... His family (he has two children) is his hobby..... Pat says he isn't a F.F.V. (first family of Virginia) but his eyeglasses tremble and his eyeglass ribbon twitches when he says no.

TURN ABOUT FAIR PLAYSAYS FARMER QUIZZING NEWSMAN

Tables were turned in an AAA crop insurance program presented over station KMMJ, Grand Island, Nebraska, by the Hamilton County AAA Committee.

Newspaper men usually interview farmers. But during this broadcast Roland Kreutz, chairman of the committee, interviewed Gerald Bremer, editor and publisher of the Aurora News.

Bremer has a farm in Hamilton County and regularly insures his wheat crop interest. His newspaper is one of the state's outstanding weeklies.

Hamilton County farmers set the pace for Nebraska in 1941 insurance protection. With a 95 percent wheat loss, the county has 3,377 insurance contracts covering 62,026 acres and an estimated guaranteed production of 660,577 bushels.

COTTON

(Cont'd from page 1)

applicable to the cotton program are expected to be ironed out at the Washington conference.

With completion of procedures and regulations later, a series of meetings will be held in each state where cotton insurance will be offered growers and the sign-up period will follow, probably the first three months of 1942.

The commodity note plan, put into effect for wheat for the first time on the 1942 wheat crop, also will apply to cotton. The note requirements will be the same for both crops.